

**DOYLINE WATERWORKS DISTRICT I, LOUISIANA
WEBSTER PARISH POLICE JURY**

Annual Financial Statements

As of June 30, 2011 and for the Year then Ended

DOYLINE WATERWORKS DISTRICT I, LOUISIANA
WEBSTER PARISH POLICE JURY

General Purpose Financial Statements
As of and for the Year Ended June 30, 2011
With Supplemental information Schedules

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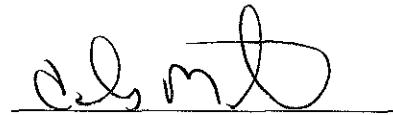
**DOYLINE WATERWORKS DISTRICT I, LOUISIANA
WEBSTER PARISH POLICE JURY**

Transmittal Letter
Component Unit Financial Statements
June 30, 2011

Office of the Legislative Auditor
1600 Riverside North
P.O. Box 94397
Baton Rouge, LA 70804-9397

In accordance with Louisiana Revised Statute 24:513, enclosed are the annual financial statements for Doyline Waterworks District I of Webster Parish, Louisiana as of and for the fiscal year ended June 30, 2011. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles except for GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Sincerely,

A handwritten signature in dark ink, appearing to be "C. P. A.", written over a horizontal line.

Title: CPA

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

The Board of Commissioners
Doyline Waterworks District I
Doyline, Louisiana

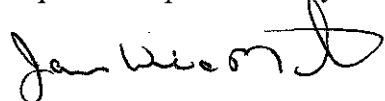
We have compiled the accompanying financial statements of the Doyline Waterworks District I, a component unit of Webster Parish Police Jury, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Doyline Waterworks District I is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has omitted the management's discussion and analysis information and budgetary comparison information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The Schedule of Per Diem Paid to Board Members and the Summary Schedule of Prior Year Findings are presented for purposes of additional analysis and are not a required part of the financial statements. We have not audited or reviewed this schedule and, accordingly, do not express an opinion or any other form of assurance on it.



Minden, Louisiana
December 27, 2011

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Statement of Net Assets
June 30, 2011

ASSETS

Current Assets:

Cash and cash equivalents	\$ -
Receivables	22,667
Total Current Assets	<u>22,667</u>

Non-Current Assets:

Restricted assets, cash and cash equivalents	121,366
Capital assets, net of accumulated depreciation	339,442
Other assets	1,150
Total Non-Current Assets	<u>461,958</u>

TOTAL ASSETS	<u>\$ 484,625</u>
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LIABILITIES

Current Liabilities:

Cash (Deficit)	6,594
Accounts payable	\$ 3,250
Total Current Liabilities	<u>9,844</u>

Current Liabilities Payable from Restricted Assets	\$ 15,714
Non-Current Liabilities Payable from Restricted Assets	26,715

Non-Current Liabilities:

Note payable, less current portion	<u>140,800</u>
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Total Liabilities	<u>193,073</u>
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NET ASSETS

Invested in capital assets, net of related debt	185,641
Restricted for meter deposits	26,715
Unrestricted	<u>79,196</u>

TOTAL NET ASSETS	<u>\$ 291,552</u>
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See accompanying notes and accountants' report

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Statement of Revenues, Expenses, and Changes in Net Assets
June 30, 2011

Operating Revenues

Charges for services:

Water Sales	\$ 123,555
Meter installation fees	1,655
Late fees	4,376
Other charges for services	4,413
Total Operating Revenues	<u>133,999</u>

Operating Expenses

Electricity	12,052
Material and supplies	5,626
Repairs and maintenance	11,136
Telephone	626
Contract labor	43,452
Insurance	3,710
Accounting and legal	1,600
Dues	464
Rent	1,369
Depreciation	27,855
Miscellaneous	3,014
Total Operating Expenses	<u>110,904</u>

Operating Income 23,095

Non-Operating Revenues (Expenses)

Rent income	1,800
Grant revenue	-
Interest income	107
Sewer collection fees	3,256
Interest expense	<u>(15,140)</u>
Total Non-Operating Revenues (Expenses)	<u>(9,977)</u>

Change in Net Assets 13,118

Total Beginning Net Assets, Beginning 278,434

Total Net Assets, Ending \$ 291,552

See accompanying notes and accountants' report

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Statement of Cash Flows
June 30, 2011

Cash Flows From Operating Activities

Receipts from customers and users	\$ 133,037
Payments for supplies and services	(83,389)
Other operating cash payments	<u>-</u>
Net Cash Provided by Operating Activities	<u>49,648</u>

Cash Flows from Non-Capital Financing Activities

Customer meter deposits	2,022
Other miscellaneous	<u>5,056</u>
Net Cash Provided by Noncapital Financing Activities	<u>7,078</u>

Cash Flows From Capital and Related Financing Activities

Principal paid on capital debt	(53,200)
Capital grants received	-
Interest paid on capital debt	<u>(15,297)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(68,497)</u>

Cash Flows From Investing Activities

Assets purchased	(17,500)
Interest received	<u>107</u>
Net Cash Provided by Investing Activities	<u>(17,393)</u>

Net Increase in Cash and Cash Equivalents (29,164)

Cash and Cash Equivalents, Beginning of Year 143,936

Cash and Cash Equivalents, End of Year \$ 114,772

**Reconciliation of Operating income to Net Cash Provided (used)
by Operating Activities**

Operating income	\$ 23,095
Depreciation expense	27,855
(Increase) decrease in accounts receivable	(962)
Increase (decrease) in accounts payable	<u>(340)</u>
Total Adjustments	<u>26,553</u>

Net Cash Provided by Operating Activities \$ 49,648

See accompanying notes and accountants' report

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

INTRODUCTION

The Doyline Waterworks District I (the District) is a component unit of the Webster Parish Police Jury. The District was created by the Webster Parish Police Jury under R.S. 33:3811 through ordinance 798 dated March 6, 1984 to provide water service to the Doyline community area.

The District is governed by a Board of Commissioners who are appointed by the Webster Parish Police Jury. The Board is uncompensated and consists of eight members each serving one to five year terms.

Currently, the District serves approximately 311 customers. The District has four water wells and an elevated storage tank which provides the Doyline area with water.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Doyline Waterworks District I is considered a component unit of the Webster Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

Doyline Waterworks District I has only one fund which is a proprietary fund. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

proprietary fund's principal ongoing operations. The principal operating revenues of Doyline Waterworks District I come from the sales and distribution of water. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District has adopted the provisions of Statement No. 34 (Statement 34) of the Governmental Accounting Standards Board *"Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments."* Statement 34 established standards for external reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the unspent related debt proceeds at year end.

Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The adoption of Statement No. 34 has no effect on the basic financial statements except for the classification of net assets in accordance with the Statement and the reflection of capital contributions as a change in net assets.

The District utilizes the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

B. Cash

Cash includes amounts in demand deposits, and interest-bearing demand deposits. Under state law, the District may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

C. Accounts Receivable

The major receivable of the District are those from water billings. The District considers substantially all customers' utility receivables to be fully collectable; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible they are charged to operations at that time.

The aging of accounts receivable (water sales) at June 30, 2011 is as follows:

Current	\$ 20,750
30-60 days	<u>1,876</u>
	<u>\$22,626</u>

D. Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to debt service and customer meter deposits.

E. Capital Assets

Capital assets include property, plant, and equipment, and infrastructure assets. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Distribution system	40 Years
Equipment / Storage Building	10 years

F. Long-Term Obligations

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Long-term debt consists primarily of bonds payable.

G. Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America require management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2011, Doyline Waterworks District I has cash and cash equivalents with book balances totaling \$114,773 as follows:

Interest-bearing demand deposits	<u>\$ 114,772</u>
Total	<u>\$ 114,772</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2011,

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Doyline Waterworks District I had \$135,381 in deposits (collected bank balances). The deposits are insured with \$250,000 in federal deposit insurance.

3. RECEIVABLES

Accounts receivable for water customers are analyzed periodically and accounts considered to be uncollectible are charged off. For the year ended June 30, 2011, \$496 of accounts receivable were charged off. Past due accounts totaled \$1,876 at June 30, 2011.

Accounts receivable for water customers total \$22,626 at June 30, 2011.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2011 for Doyline Waterworks District I is as follows:

Capital assets Being depreciated	Beginning Balance	Increases	Decreases	Ending Balance
Distribution system	\$ 781,848	17,500	-	\$ 799,348
Equipment / Storage Building	64,033	-	-	64,033
Total capital assets being Depreciated	845,881	17,500	-	863,381
Less accumulated depreciation	496,085	27,855	-	523,940
Total business-type activities, Net	<u>\$ 349,796</u>	<u>(10,355)</u>	<u>\$ -</u>	<u>\$ 339,441</u>

5. NOTES PAYABLE

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) note payable for the year ended June 30, 2011:

\$431,700 water revenue bond dated April 25, 1985, due in annual installments ranging from \$33,354 to \$27,885, including interest at 7.25% due April 25, 2025	\$ 153,800
Less current portion	<u>(13,000)</u>
	<u>\$ 140,800</u>

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

The annual requirements to amortize all long-term debt as of June 30, 2011 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	13,000	11,151	24,151
2013	13,000	10,208	23,208
2014	14,000	9,265	23,265
2015	16,000	8,250	24,250
2016	17,000	7,091	24,091
Thereafter	<u>67,800</u>	<u>8,236</u>	<u>76,036</u>
Total	<u>\$ 140,800</u>	<u>\$ 54,201</u>	<u>\$ 195,001</u>

Under the terms of the water revenue bonds, the following funds are to be maintained with respect to the bonds:

- A. As provided in the Resolution, all income and revenues earned or derived from the operation of the System shall be deposited in the Revenue Fund. Out of the funds on deposit in the Revenue Fund, after the reasonable and necessary expenses of operating and maintaining the System have been paid, monies are to be transferred to the Sinking Fund, the Reserve Fund and/or the Contingency Fund as provided in the Resolution.
- B. The issuer is required by the Resolution to make monthly deposits into the Sinking Fund, the Reserve Fund, and the Contingency Fund from the net revenues, no later than the 20th day of each month. All amounts deposited in the Sinking Fund are expected to be deleted at least once a year on April 25 (the principal and interest payment date for the bonds), except for a reasonable carryover amount which will not exceed the greater of (1) one year's earnings on such funds, or (2) 1/12 of the annual debt service on the bonds and any additional parity bonds payable there from.
- C. The Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the Sinking Fund as to which there would otherwise be default. A monthly payment at least equal to five percent (5%) of the monthly Sinking Fund payment will be deposited until an amount equal to the Reserve Fund requirement is accumulated therein.

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

- D. The Contingency Fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from the System Fund on or before the 20th day of each month of each year a sum of \$139. Such payments into the Contingency Fund are to continue over the life of the bonds. The Contingency Fund may also be used to pay the principal and interest on bonds authorized for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund.

6. WELL SITE RENT

The District entered into an operating lease agreement on December 20, 1984, for forty years with an annual lease rental payment of an amount equal to twice the minimum water charge per month for residential users for the purpose of the operation and maintenance of a well and a water distribution system located on the Carter property. Total lease payments for the year ended June 30, 2011 totaled \$360.

The District also entered into an operating lease agreement on October 21, 1987, for forty years with an annual lease rental payment of an amount equal to twice the minimum water charge per month for residential users for the purpose of the operation and maintenance of a well and a water distribution system located on the Bass property. Total lease payments for the year ended June 30, 2011 totaled \$649.

7. RESTRICTED ASSETS

Restricted assets of Doyline Waterworks District I at June 30, 2011 are as follows:

Customer meter deposits	\$ 26,511
Reserve fund	33,047
Sinking fund	5,754
Contingency fund	<u>56,054</u>
	<u>\$121,366</u>

OTHER SUPPLEMENTAL SCHEDULES

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2011

<u>Board Member</u>	<u>Compensation Paid</u>
Billy Reeves, President	None
Josephine Sutis, Sec/Treasurer	None
Stanley Brown	None
Donald Lisoski	None
Jackie Robinson	None
Lee Ware	None
Gradie Ward	None
Warren Pearson, Jr.	None

See accountants' report

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Summary Schedule of Prior Audit Findings
For the year Ended June 30, 2011

There were no findings for the prior year.

See accountants' report.

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Schedule of Current Year Findings
June 30, 2011

There were no findings for the year ended June 30, 2011.